



## AGENDA

### Board of Directors Meeting

Tuesday – August 29, 2023

7:45a – 9:15a

**Remote via Zoom**

<https://us02web.zoom.us/j/83799829732?pwd=VnhzVHBDNmtwZEFzUnppZ3FyZGl3dz09>

**1. Consent Items**

- a. Financial report as of July 31, 2023 *(See Attachment 1)*
- b. Minutes of Board Meeting on June 25, 2023 *(See Attachment 2)*

**2. Board Membership**

*(See Attachment 3)*

**3. Downtown Vision Update**

- a. Council Housing Workshop & Next Steps
- b. Town Grant Programs Next Steps

**4. Varney Heights AHTIF Request Next Steps**

*(See Attachment 4)*

**5. Town Comprehensive Plan Update**

- a. Findings from Muskie School Intern Caroline MacLeod *(See Attachment 5)*

**6. Transit-Oriented Development District Planning Update**

- a. Capital Improvement Planning update
- b. TIF analysis update

**7. Adjourn**

Attachment 1. FINANCIAL REPORT AS Of JULY 31, 2023

**Freeport Economic Development Corporation**  
**Profit and Loss**  
July 2023

	<u>Total</u>
<b>Income</b>	
<b>Total Income</b>	
<b>Gross Profit</b>	-
<b>Expenses</b>	
Advertising/Marketing	1,379
Business Support Expense	2,032
Conferences/Trade Show/Training	394
IT Services	55
Payroll Expenses	
Fica/Medicare Exepenses	2,767
Gross Wages Ex. Director	5,133
<b>Total Payroll Expenses</b>	<b>7,900</b>
Payroll Processing Fees	100
<b>Total Expenses</b>	<b>11,860</b>
<b>Net Operating Income</b>	<b>(11,860)</b>
<b>Other Income</b>	
Savings Interest	1
<b>Total Other Income</b>	<b>1</b>
<b>Net Other Income</b>	<b>1</b>
<b>Net Income</b>	<b>(11,860)</b>

Thursday, Aug 24, 2023 10:52:46 AM GMT-7 - Accrual Basis

## Attachment 2: DRAFT MEETING MINUTES OF JULY 25, 2023 BOARD MEETING



### DRAFT MINUTES

### Board of Directors Meeting

Tuesday – July 25, 2023

7:45a – 9:15a

Remote via Zoom

#### WELCOME AND INTRODUCTIONS.

Attending Board Members. Mary Davis, Mark Malone, Candice Rinaldi, Nikki Yanok Schneider, Stefanie Millette, Becky Doten-Lizzotte, Tawni Whitney, Sarah Tracey, Leanne Barschdorf-Nichols, Jason Sulham

Not Attending. Dan Bacon, Ken Sparta, Nikki Yanok, Chip Gray, Caroline Pelletier, Dan Piltch, James Hendricks.

Others Attending. Brett Richardson

#### CONSENT ITEMS

The financial report as of June 31, 2023 was unanimously approved.

The Minutes of Board Meeting on June 27, 2023 was unanimously approved with the amendment to replace former Town Manager Peter Joseph the with Interim Caroline Pelletier in the notes.

#### DOWNTOWN VISION UPDATE

Housing Committee Recommendations. Brett kicked off the discussion with an update on the upcoming recommendations from the Housing Committee to Town Council later the same evening of the 25<sup>th</sup>. The Committee has developed a number of recommendations but

in the update to Council would focus on one particular suggestion to temporarily exempt new multifamily construction from the provisions of the Design review. The Committee understands that the recommendation is likely to be controversial, but their recommendation is based on concern that developers who are interested in Freeport have been frightened away by recent approval and appeals processes. The Housing Committee recognizes the need for comprehensive long-term fixes, but reached consensus that it's important for the Town Council to take a leadership role and initiate a short term fix because the Town will miss out on projects that will increase the tax base, add energy to downtown, and diversify and expand Freeport's housing stock.

Mary shared recent conversations with developers, who are currently holding back projects because the current process contains too much uncertainty and risk.

Brett and Mary shared an opinion for how FEDC could add value to the conversation between the Housing Committee and the Town Council. An opportunity exists to focus on defining a process for quick action by the Council and Planning Board to implement relatively small ordinance fixes on a short time frame that will demonstrate progress. The Housing Committee's recommendation focuses on a specific, sweeping change to the ordinances, while FEDC could assist the Town to move forward by focusing on a high-quality process map to enact change.

Mary stated that the Council is the appropriate body to bring the community together. We have had a few projects where opponents share what they don't want, but for the community to move forward, Freeport's policy makers need to understand what the community does want and will support.

Leanne flagged how the housing crisis is impacting Freeport. Available housing options are out of reach for almost the entire community, while the downtown retail sector remains vulnerable and the Town's commercial tax base is at risk.

Mark shared his take that suspending design review for new multi-family and mixed use is likely going too far, and that immediate band-aids exist to take incremental steps, in particular that design components of the ordinance could be amended to be recommendations, rather than the ruling provisions for PRB action.

Becky stated that the important step will be to remove the emotional subjectivity of review processes with objective standards. That this step will actually help Board members to make tough decisions.

Stef shared the importance of checks and balances for good processes. She also shared the potential need for periodic ordinance updates on preset intervals of time.

Sarah described her perspective as a former Council that time is very short to act. Elections take place in November and little of substance takes place between the election and Council business meeting in January. The ordinance process should be completed by mid-October to be effective. Sarah said that FEDC should focus on the “how” of enacting changes by October and leave the “what” up for further discussion among the Council, Planning Board, and community.

**ACTION.** The Board supported Brett offering during the Council discussion following the Housing Committee recommendation to offer FEDC’s assistance to convene a transparent community process between the Council’s August 1<sup>st</sup> meeting and mid-October to enact some immediate, near term process “band-aids” to make the review process simple, predictable and easier for both volunteer Boards and applicants.

**BUSINESS FIT-UP GRANT PROGRAM.** Brett updated the Board that the Fit-Up program was on the Council agenda for later in the evening. The Board was supportive and offered no edits to the program write-up.

**TRANSIT ORIENTED DEVELOPMENT CAPITAL IMPROVEMENT PLANNING.** Brett updated the Board that Maine Water Co, the Sewer District, and Town engineer are in the process of sharing GIS layers and plans with Woodard and Curran. W&C will use the data to identify the areas that are served by infrastructure, where the gaps are, and budget estimates to upgrade necessary infrastructure.

Mary shared that she is looking forward to the data from this project because she works with first-time home buyers who are overwhelmed by the cost of homes in Freeport and she is hopeful that this planning project will help facilitate new supply to expand opportunities and lower costs.

**TRANSIT-ORIENTED DEVELOPMENT TIF TAX SHIFT ANALYSIS.** Brett provided an update on the tax shift analysis scope of work that the FEDC Board has allocated funding for and that Council endorsed during the May 23 Council/FEDC workshop. The goal of the tax shift analysis is to provide Councilors and the community with an understanding of the tax implications of creating the TOD district. FEDC did not ask the Council to approve the District generally and in it’s entirety; FEDC only suggested completing the analysis to ensure

that everyone understands how the district would perform and how it would affect local taxes. FEDC would like to position the analysis as a potential stepping stone and if Council believes the opportunity is worth pursuing, they will be in a good position to move forward by building a full application to the State based on the tax shift analysis.

Brett provided an overview of proposals from two legal firms, Bernstein Shur and Jensen Baird, that was included in the meeting packet.

Brett stated that Bernstein Shur proposal is segmented into 3 phases of work. The tax shift component is the first phase, and that FEDC would be the client for the first phase, but if the Council would like to move forward with the District, the Town would become the client for phases 2 and 3. This will add efficiency, show true collaboration between FEDC and the Town, and will speed up the District development process should the Council opt to move forward.

Sarah confirmed that Bernstein Shur was previously the Town's attorney. The Town shifted to Drummond & Woodsum but Bernstein Shur is familiar with the Town's business and is considered the leader in Maine for tax increment finance work.

**ACTION.** The Board unanimously approved Bernstein Shur as the selected consultant for the tax shift analysis for up to \$5,000 and directed the Executive Director to facilitate coordination with Town leadership.

**UPCOMING SENIOR HOUSING TIF REQUEST.** Brett notified the board that a developer is working with the Freeport Housing Trust to develop a 42-unit senior housing project on Varney. The project will need an Affordable Housing Tax Increment Financing District. Brett made two requests: 1) to approve staff time to begin planning the affordable TIF district, and 2) any volunteers who would like to be on the project team.

**ACTION.** The Board unanimously approved staff time to initiate work to support the development of an Affordable Housing TIF district to support development of a 42-unit, age 55-plus housing project. Tawni and Nikki offered to assist. Becky recused from the vote.

## **ADMINISTRATION**

**ACTION.** The Board unanimously approved Runyon Kersteen Ouellette to prepare the 2023 990 return of \$1,000.

The Board celebrated the success of the Fourth of July Fireworks and commended interim Town Manager Caroline Pelletier for her "can-do" attitude.

The meeting adjourned at 8:58a.

## Attachment 3: BOARD MEMBERSHIP

### FEDC BOARD As of July 1, 2022

#### PRESIDENT

Mary Davis (June 2023)  
16 Kendall Lane  
Freeport, ME 04032  
PH: 838-1898  
Email: [maryhitt.davis@gmail.com](mailto:maryhitt.davis@gmail.com)

#### VICE PRESIDENT

Dan Bacon (June 2025)  
12 Tinkers Way  
Freeport, ME 04032  
PH: 207-232-5154  
Email: [dbacon@mr.holdings](mailto:dbacon@mr.holdings)

#### TREASURER

Candice Rinaldi (June 2024)  
**Bath Savings Institution**  
PO Box 160  
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PH: 865-6998  
FAX: 865-2245  
Email: [crinaldi@bathsavings.com](mailto:crinaldi@bathsavings.com)

Chip Gray (June 2023)  
**Harraseeket Inn**  
162 Main Street  
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Cell: 329-3126  
Email: [harraseeke@aol.com](mailto:harraseeke@aol.com)

Jason Sulham (June 2025)  
**L.L. Bean**  
15 Casco Street  
Freeport, ME 04033  
PH: 207-552-7316  
Email: [jsulham@llbean.com](mailto:jsulham@llbean.com)

Mark Malone, CCIM (June 2024)  
**Malone Commercial Brokers**  
5 Moulton Street  
Portland, Maine 04101  
PH: 772-2422  
Cell: 233-6000  
FAX: 774-5114  
Email: [mark@malonecb.com](mailto:mark@malonecb.com)

Leanne Barschdorf-Nichols (June 2024)  
**Keller Williams Realty**  
11 Orchard Hill Road  
Freeport, ME 04032  
PH: 865-6118  
Cell: 653-4353  
Email: [lbarschdorf@kw.com](mailto:lbarschdorf@kw.com)

Rebecca Doten Lizotte (June 2023)  
**Doten's Construction**  
392 U.S. Route 1  
Freeport, ME 04032  
PH: 207-865-4412  
Cell: 207-233-9011

Sarah B. Tracy, Esq. (June 2023)  
2 Pettengill Road  
Freeport, ME 04032  
Cell: 207-615-7287  
Work: 207-791-1299  
Email: [stracy@pierceatwood.com](mailto:stracy@pierceatwood.com)

Stefanie Millette (June 2025)  
**The Davis Foundations**  
2 Hummingbird Lane  
Freeport, ME 04032  
PH: 508-797-2684  
Email: [stefanie.millette@gmail.com](mailto:stefanie.millette@gmail.com)

James Hendricks (June 2024)  
**Freeport Integrated Health Center**  
174 S. Freeport Road, Suite 1F  
Freeport, ME 04038  
H: 831-7110  
W: 865-1183  
Email: [drjah@fihc.comcastbiz.net](mailto:drjah@fihc.comcastbiz.net)

Nikki Yanok-Schneider (June 2025)  
44 Elm Street  
Freeport, ME 04032  
Cell: 207-751-6203  
Work: 207-504-5872  
Email: [nvanok@gmail.com](mailto:nvanok@gmail.com)

Tawni Whitney (June 2025)  
**Greater Freeport Chamber of Commerce**  
115 Main Street  
Freeport, ME 04032  
PH: 207-847-5240  
Email: [twhitney@freeportmainechamber.com](mailto:twhitney@freeportmainechamber.com)

#### EX OFFICIO

Peter Joseph, Town Manager  
**Town of Freeport**  
30 Main Street  
Freeport, Maine 04032  
PH: 865-4743  
Email: [pjoseph@freeportmaine.com](mailto:pjoseph@freeportmaine.com)

Town Council Liaison  
Dan Piltch  
25 Quarry Road  
Freeport, ME 04032  
(207) 865-9803  
Email: [dpiltch@freeportmaine.com](mailto:dpiltch@freeportmaine.com)

#### EXECUTIVE DIRECTOR/CLERK

Brett Richardson  
**FEDC**  
30 Main Street  
Freeport, Maine 04032  
PH: 865-4743 ext 117  
Email: [brichardson@freeportmaine.com](mailto:brichardson@freeportmaine.com)

## Attachment 4: VARNEY HEIGHTS AFFORDABLE HOUSING TIF REQUEST FINDINGS



**To:** Caroline Pelletier, Town Manager  
**From:** Brett Richardson, Freeport Economic Development Corporation  
**Date:** August 11, 2023  
**RE:** Varney Heights Affordable Housing Tax Increment Financing Request

On behalf of the Freeport Economic Development Corporation (FEDC) Board, this memo serves as a follow-up to a recent FEDC work session featuring a presentation regarding an Affordable Housing Tax Increment Financing (AHTIF) request for Varney Heights Apartments. Varney Heights will be a new 42-unit age 55-plus affordable housing project located on Varney Street, approximately one mile from Downtown Freeport.

The Varney Heights TIF application was presented on August 7, 2023, by developer Tim Gooch of Best Apartments, Inc., Freeport Housing Trust Executive Director Matthew Peters, and Jim Damicis of Camoin Associates, Inc., a consultant assisting with the AHTIF application to the Town of Freeport and to the State of Maine. ***Please see Addendum 1, Varney Heights TIF Request.***

FEDC's role in Town TIF deliberations is to participate as independent advisors and providers of information. Due to the anticipated benefits of Varney Heights, FEDC encourages the Town Council and staff to consider this request in a timely manner. The development team is applying to MaineHousing for critical subsidy to construct Varney Heights. Town of Freeport TIF support is essential for Varney Heights to be competitive with other projects around the State of Maine for limited MaineHousing funds. If the MaineHousing proposal is successful, Town TIF support for Varney Heights is anticipated to leverage approximately \$2-3 million in State funding for Freeport.

The purpose of the August 7<sup>th</sup> FEDC work session was to:

- 1) Review the Varney Heights project and application;
- 2) Consider the relative public and economic benefits of Varney Heights, and
- 3) Evaluate the question of whether the project represents an appropriate use of TIF.



## **1) Project and Application.**

Varney Heights will be located on approximately 9 acres of land on Varney Road. The project will be walkable to Downtown, as well as primary shopping and services. Varney Heights will be located within the Commercial III zone. MaineHousing considers Freeport as a community of very high need for elder, age 55+ housing. The following are additional details for the Varney Heights project.

- 42 rent controlled units for individuals aged 55 plus and affordable at a maximum of 60 percent area median income (AMI).
  - 1-bedroom units: 38
  - 2-bedroom units: 4
- Build out schedule:
  - Start date of construction: July 1, 2024
  - Anticipated completion date for development: November 1, 2025
- Amenities include:
  - Elevator
  - Lounge
  - Library
  - Onsite office
  - Community room with restroom and kitchen facility
  - Onsite laundry
  - Community garden area
  - Telemedicine capabilities
  - Bike storage
  - Waste management area
  - Forty-two parking spaces (17 accessible, 1 of which van accessible)

## **2) Relative Economic and Public Benefits.**

Affordable housing development is a community priority established in the Town of Freeport's Comprehensive Plan and recent Downtown Vision Plan. In January 2023, the Town Council convened a Housing Committee to address Freeport's acute housing shortage and lack of affordable housing options for large segments of the community, particularly young people entering adulthood who seek to stay in Freeport, and elder members of the community looking to downsize but remain close to family and friends.

Lack of affordable housing options are a limiting factor for local businesses seeking employees. Currently, there are over 150 open positions in Freeport. Increased options for affordable and attainable housing will help reduce barriers for additional workers to live near Freeport employers, aiding recruiting efforts.

In addition, Varney Heights is anticipated to:

- Generate \$1,433,250 in incremental tax revenue over 30 years.
- Improve pedestrian access via a new 800-foot long public sidewalk connecting to US Route 1.
- Contribute approximately \$171,000 to Freeport Sewer District to support long term capacity of the sewer system.

### **3) Appropriateness for Use of TIF.**

Applying the town's policy on TIFs as well as state laws and regulations, in combination with other official policy statements on the town's priorities and goals, it is FEDC's position that Varney Heights represents an appropriate use of TIF to support affordable housing. The town's TIF policy states ten "criteria" for the town to utilize in determining participation in the proposed TIF. ***Please see Addendum 2, Town of Freeport Tax Increment Financing Policy.***

Freeport has an established precedent of supporting affordable housing projects with AHTIF, including Oak Leaf 2 and Quarry Ridge developments.

FEDC's position is that Varney Heights represents an effective use of TIF because the project will:

- Advance an established community goal of supporting affordable housing.
- Generate approximately \$1,433,250 over 30 years of new tax revenue that would not be possible without Town participation via AHTIF support.
- Contribute approximately \$716,625 over 30 years to the Town's General Fund that will not accrue without Town participation via AHTIF support because the project won't move forward without Town support.
- Result in the construction of 800 feet of new sidewalk connecting Varney Road parcels to US Route 1.
- Contribute approximately \$171,000 to Freeport Sewer District to support the long-term capacity of the sewer system.

If the council considers affordable housing an important public priority, the Varney Heights proposal is an excellent way to play a role in helping Freeport Housing Trust accomplish its goals, while generating new tax revenue and investing in needed public infrastructure.

## Appendix 1 - TIF/Credit Enhancement Agreement Application

**(requested by developer)**

<b>Name of Applicant:</b> Freeport Housing Trust, Inc.
<b>Applicant's Address:</b> 24 South Street, Suite A, Freeport, ME 04032
<b>Applicant's Phone:</b> Matt Peters: 207-865-1652; Tim Gooch: 207-415-7264
<b>Applicant's e-mail:</b> Matt Peters: matt@freeporthousingtrust.org; Tim Gooch: tgooch43@gmail.com
<b>Location of Project: (map/lot)</b> 9.1 acres of Tax Map 55 Lot 23
<b>Brief Project Description: (new building, square footage, use)</b> Forty-two units of multi-family, rental, affordable, senior (62+) housing meeting IBC/ANSI 117.1 requirements for Adaptable Type B Units.
<b>Reason for the TIF and Credit Enhancement Request:</b> To support overall project financing to make the project financially feasible, ability to offer rents at affordable rates, and to support required site infrastructure, such as sidewalks.
<b>Estimated project cost:</b> \$9,000,000
<b>Current value of land and existing development:</b> \$500,000
<b>Public benefit anticipated:</b> Provision of senior affordable housing, dictated as a need by the Town of Freeport, in area that is in close proximity to transportation and services.
<b>Preferred duration of credit enhancement benefit:</b> 30 Years
<b>Preferred amount of credit enhancement benefit:</b> TBD
<b>Projected project completion date:</b> November 1, 2025
<b>Estimated completion percentage for next two years:</b> 100%
<b>Anticipated additional development within the next 5 years:</b> None
<b>Waivers requested if any:</b> None. The project is consistent with the Comp Plan, the Town's Vision, it will comply with local, state, or federal rules/regulations, and it has the capacity to be successful based on the Town and the Developer. TIF is needed to make the project financially feasible and to leverage required debt.

## Appendix 2 – TIF Application

Town of Freeport

### TIF APPLICATION COVER SHEET

### MUNICIPAL TAX INCREMENT FINANCING

#### A. General Information

<b>1. Municipality Name:</b> Freeport		
<b>2. Address:</b> 30 Main Street, Freeport ME 04032		
<b>3. Telephone:</b> 207-865-4743	<b>4. Fax:</b>	<b>5. Email:</b> cpelletier@freeportmaine.com
<b>6. Municipal Contact Person:</b> Caroline Pelletier		
<b>7. Business Name:</b> Freeport Housing Trust, Inc. (A Maine non-profit corp)		
<b>8. Address:</b> 24 South Street, Suite A, Freeport, ME 04032		
<b>9. Telephone:</b> 207-415-3870	<b>10. Fax:</b> N/A	<b>11. Email:</b> matt@freeporthousingtrust.org
<b>12. Business Contact Person:</b> Matt Peters or Tim Gooch		
<b>13. Principal Place of Business:</b> Freeport, ME		
<b>14. Company Structure (e.g. corporation, sub-chapter S, etc.):</b> 501(c)(3) charitable organization		
<b>15. Place of Incorporation:</b>		
<b>16. Names of Officers:</b> Chris Roney, Amy Cartmell, Suzanne Norton, Dr. Jeffrey Stenzel, Tom Whelan, Thomas Kelley, Maryellen Carew		
<b>17. Principal Owner(s) Name:</b> N/A		
<b>18. Address:</b> 24 South Street, Suite A, Freeport, ME 04032		

#### B. Disclosure

1. Check the public purpose that will be met by the business using this incentive (any that apply):		
<input type="checkbox"/> job creation	<input type="checkbox"/> job retention	<input type="checkbox"/> capital investment
<input type="checkbox"/> training investment	<input checked="" type="checkbox"/> tax base improvement	<input type="checkbox"/> public facilities improvement
<input checked="" type="checkbox"/> other (list): Housing		
2. Check the specific items for which TIF revenues will be used (any that apply):		
<input checked="" type="checkbox"/> real estate purchase	<input type="checkbox"/> machinery & equipment purchase	<input type="checkbox"/> training costs
<input checked="" type="checkbox"/> debt reduction	<input checked="" type="checkbox"/> other (list): Site infrastructure	

**C. Employment Data**

List the company's goals for the number, type and wage levels of jobs to be created or retained as part of this TIF development project (*please use next page*).

## EMPLOYMENT GOALS

### Company Goals for Job Creation and Job Retention

<b><i>A. <u>Job Creation Goals</u></i></b>			
<i>Occupational Cluster*</i>	<i>Full-time</i>	<i>Part-time</i>	<i>Wage Level</i>
1. Executive, Professional & Technical			\$
2. Administrative Support, inc. Clerical	1		\$
3. Sales & Service			\$
4. Agriculture, Forestry & Fishing			\$
5. Maintenance, Construction, Production, & Transportation	1		\$
<b><i>B. <u>Job Retention Goals</u></i></b>			
<i>Occupational Cluster*</i>	<i>Full-time</i>	<i>Part-time</i>	<i>Wage Level</i>
1. Executive, Professional & Technical			\$
2. Administrative Support, inc. Clerical			\$
3. Sales & Service			\$
4. Agriculture, Forestry & Fishing			\$

5. Maintenance, Construction, Production, & Transportation			\$
<i>*Please use the Occupational Cluster descriptions on the next page to complete this form.</i>			

INSTRUCTIONS

***A. Job Creation Goals. Please list the number, type and wage level of jobs created as a result of the economic development incentive. NOTE: For this form, “full-time” employment means 30 hours or more; “part-time” employment means less than 30 hours. “Wage level” means the average annual wage paid for jobs created within an occupational cluster, e.g. either their annual salary, or their hourly wage times their annual hours. Also, “type” means “occupational cluster” which refers to the 12 categories defined below. Please include the number of your employees (both full-time and part-time) working within the category that most closely reflects their job duties.***

***B. Job Retention Goals. Please list the number, type and wage level of jobs retained as a result of the economic development incentive. Part B should be completed using same definitions in Part A.***

## TIF Information Needs: Varney Heights Affordable Housing Tax Increment Financing District

*Revised August 3, 2023*

### **1. TIF District Description**

- a. Physical Address
  - o Varney Road Freeport, Maine (# not yet assigned)
- b. Developer: Freeport Housing Trust, Inc and Best Apartments Inc.
- c. Owner Once Developed – Freeport Housing Trust
- d. Total Acreage – from parcel map
  - o 9.1 acres.
- e. Map and Lot Number assessing/parcel map
  - o Carved out of Tax Map 55 Lot 23
- f. Original Assessed Value: \$500,000
- g. Estimated Assessed Value at Full Build Out: \$4,000,000
- h. Mill Rate: 13.65 FY22-23
- i. Existing buildings: is the lot vacant or are there existing buildings: lot is currently vacant
- j. Suitable for development – how much of the proposed district is suitable for develop - At least 25% of district acreage is suitable for residential use, blighted, or in need of rehabilitation/redevelopment
  - o % acreage suitable for residential use: 100%
  - o % blighted – N/A
  - o % in need of rehabilitation/redevelopment – N/A
  - o Physical description of district to support above – N/A
- k. Zoning designation where district is located: Site is contained within two zoning districts: Commercial District III (C-III) and Rural Residential I (RR-I). Site is within Economic growth Area designated by Town in Comprehensive Plan
- l. Allowed uses in that zone: Commercial District III allows multi-family dwellings and Rural Residential 1 allows for two-family dwellings.
- m. Relocation plan for persons temporarily or permanently displaced by development activities (Relocation plan description or Statement that no relocation is necessary: There will be no persons relocated or displace
- n. Description of environmental controls to be applied: Erosion controls will be in place (silt fencing, straw bales, stone)
- o. Statement regarding environmental controls, such as permitting and licensing or use of environmental mitigation measures during development and operation of district: DEP permitting, phase 1 study, wet land flagging.
- p. Development program consistent with comprehensive planning:
  - o Date of comprehensive plan final adoption: February 8, 2011
  - o Statement of no conflict with comprehensive plan: Development is not in conflict with existing Comprehensive Plan. Freeport’s Comprehensive Plan established affordable housing as a goal, including for individuals of age 55 and older.
- q. Statement indicating how development program complies with Maine law limiting growth-related capital investments (see 30-A M.R.S.A. §4349-A) – Pending review and statement from Town
- r. District not in conflict with municipal charter (Statement of no conflict with municipal charter): The District does not conflict with provisions within the Town’s municipal charter
- s. Build out schedule:



- Start date of construction: July 1, 2024
- Anticipated completion date for development: November 1, 2025
- t. Description of what is being built in the district – housing, other:
  - Forty-two units of multi-family, rental, affordable, senior (62+) housing meeting IBC/ANSI 117.1 requirements for Adaptable Type B Units. Will include:
    - Elevator
    - Lounge
    - Library
    - Onsite office
    - Community room with restroom and kitchen facility
    - Onsite laundry
    - Community garden area
    - Telemedicine capabilities
    - Bike storage
    - Waste management area
    - Forty-two parking spaces (17 accessible, 1 of which van accessible)
  - Breakdown of housing by type:

	30% AMI	50% AMI	60% AMI	Market	Total
<b>1-Bed</b>		23	15		<b>38</b>
<b>2-Bed</b>		3	1		<b>4</b>
<b>3-Bed</b>					
<b>Total</b>		26	16		<b>42</b>

- Number of new rental units to be constructed: 40
- Number of existing rental units to be rehabilitated: 0
- Number of new single-family homes, including condominiums, to be constructed: 0
- Number of existing single-family homes, including condominiums, to be rehabilitated: 0

2. **Description of accessory uses relating to residential use** - uses related to residential uses, such as recreational facilities and childcare facilities available to the residents of the district and small-scale nonresidential uses that are intended to provide services primarily to the residents of the district: N/A

3. **Mechanism to ensure ongoing affordability of 33% of the housing units in district for required time:**

- Length of affordability period for owner-occupied single-family homes and condominiums (The minimum affordability period for single-family owner-occupied homes and condominiums is 10 years): N/A
- Description of affordability mechanism for single-family owner-occupied homes and condominiums: N/A
- Length of affordability period for rental units (The minimum affordability period for rental units is 30 years.): 45 years
- Description of affordability mechanism for rental units: It is contained within underwriting documents and covenants.

4. **Description of Non-Residential Development if applicable and acreage – N/A**

5. **Construction Costs: \$9 million**

6. **Description of Financing methods (funding sources):**

- MSHA Subsidy: Yes
- MSHA Interest Only Debt: Yes
- Development Fee Loan: Yes
- Net Syndication: Yes
- Other: TIF to support loan

7. **Operation of Housing and Facilities in District - Owning company, breakdown of annual operating expenses and revenues, who will manage**

Owning Company: Freeport Housing Trust

- Management Company: Freeport Housing Trust – Preservation Management
- Revenues (Estimate):
  - Rents: \$556,435
  - Laundry: \$3,600
  - TIF: \$34,000
  - Vacancy (5%): \$27,822
  - Effective Gross Income: \$562,613
- Operating Expenses:
  - Admin: \$85,093
  - Operating: \$118,649
  - Maintenance: \$52,870
  - General: \$X (includes estimated property taxes of \$XXX)
  - Replacement Reserve: \$18,900
  - Total Annual OpEx: \$377,771
  
- Description of how housing and facilities in the district will be operated after completion:  
Owned and operated by Freeport Housing Trust, Inc.

**8. Specified Planned Uses of Tax Increment Revenues and estimated TIF revenues, non-TIF revenues and their sources to be used; Timing of each planned improvement, facility, program, or other activity. Indicate which of these improvements, facilities, programs, or other activities are inside the district vs outside the district**

Municipal Uses – there will be no municipal use of tax Increment Finance revenues

Developer Uses – Portion of the funds will be used to purchase land, site development, and support payment of debt. All of the funds will be needed to make the project feasible and to enable borrowing.

**For municipal debt financing only: Amount of public debt with maximum 30-year maturity to be incurred to finance development program costs** – There will be no municipal debt issued related to this TIF District

- Principal amount, maturity, and type of each municipal debt issuance – N/A
- List of improvements inside the district to be financed with municipal debt – N/A

**9. TIF Terms: years TIF, % captured, % CEA to developer (to be negotiated)**

- 30 years
- 50% captured
- 100% to developer assuming the Town pays the cost of the sidewalk.

Note: sidewalk cost estimate: 800' at \$125 per ft (estimated cost \$100K)

**10. TIF's existing in Municipality**

- Total municipal acreage total (total within and outside of TIF Districts including TIF and outside of TIF):
  - Total municipal acreage: 17,877.48 acres
  - Total TIF acreage: 181.46 acres (1.015% of total municipal acreage)
- Total acreage of all existing and proposed Tax Increment Development Districts:
- OAV of all existing and proposed affordable housing development districts (including this new proposed District):

## Freeport, Maine – Active TIF District

Active TIF Districts						
TIF	TIF - Descriptions	OAV	TIF District Acreage (acres)	TIF District Acreage (% of taxable)	TIF Capture (Pct-%)	
1.	TIF II	Bean Downtown	\$ 3,422,400	27.13	0.15176%	75%
2.	TIF II.07	Berenson	\$ 5,154,247	4.42	0.02472%	85%
3.	TIF IV	Destination Freeport	\$ 3,663,554	36.99	0.20691%	100%
4.	TIF V	Park Street	\$ 885,900	2.04	0.01141%	51%
5.	TIF V.2011	Park Street 11	\$ 1,349,300	5.99	0.03351%	100%
6.	TIF VI	Leaf Oak II	\$ 6,900	2.19	0.01225%	50%
7.	TIF VII	Concord Gully	\$ 34,038,300	88.62	0.49571%	95%
8.	TIF VIII	Affordable Housing Quarry Ridge	\$ -	14.08	0.07876%	50%
<b>Total</b>			<b>\$ 48,520,601</b>	<b>181.46</b>	<b>1.0150%</b>	

Til Municipal Taxable Acreage: (2021) 17,877.48

- Total assessed value of the city (April 1<sup>st</sup>, 2023): Does not have this information yet. The valuation for 4/1/2023 will be complete tentatively September 15, 2023. That is the target date for the commitment.

### 11. Municipal information:

- Name of applicant municipality: Freeport
- Caroline Pelletier
  - Mailing address: 30 Main Street, Freeport ME 04032
  - Phone number: (207) 865-4743
  - E-mail address: cpelletier@freeportmaine.com
- Municipal official with authority to submit annual reports to Maine Housing on the status of the district (name and title): Quang Le, Assessor, for Town Council approval
  - Mailing address: 30 Main Street, Freeport ME 04032
  - Phone number: (207) 865-4743
  - E-mail address: qlle@freeportmaine.com
- Municipal map – to be added by the Town
- Tax map showing the district boundaries to be added by the Town
- Municipal Fiscal Year (start and end dates): July 1- June 30

### 12. Municipal Review and approval process: (Indicate number of separate meetings estimated by type):

- Committee (non-council) review meetings if required: 1
- Council review workshops and readings: 1
- Public hearings: 1
- Vote for approval: 1
- Other:

### 13. Revenues and Tax Shifts

Based on an estimated added valuation of \$3.5 million at the town's existing tax rate and 50% of value captured in the district, and 100% captured revenues to developer, Table 1 shows estimated annual revenues for 30 yrs. This would be a 50% reduction (taxes returned) to the developer to support project financing and costs estimated at \$24k annually. The town would retain no captured TIF revenues but retain 50% (estimated

at \$24k) for its general fund. Note this revenue stream to developer meets financing needs but assumes cost of sidewalks is paid by the Town. **These financials are subject to discussion and negotiation with the Town**

Table 2 shows estimated tax shifts (state and county formula impacts as required by the state).

**Table 1**

<b>Captured Assessed Value &amp;TIF Revenue Projection Table - Town of Freeport - Varney Heights Affordable Housing Tax Increment Financing District</b>							
<b>TIF Year</b>	<b>Tax Year- April 1</b>	<b>Increased Assessed Value Real Prop.</b>	<b>Captured Valuation @50% of Value Captured</b>	<b>Projected Mill Rate</b>	<b>Total Projected New Taxes Captured</b>	<b>Captured Revenue to Municipal Project Account</b>	<b>Captured Revenue to Developer Project Account</b>
1	2025	\$3,500,000	\$1,750,000	13.65	\$23,888	\$0	\$23,888
2	2026	\$3,500,000	\$1,750,000	13.65	\$23,888	\$0	\$23,888
3	2027	\$3,500,000	\$1,750,000	13.65	\$23,888	\$0	\$23,888
4	2028	\$3,500,000	\$1,750,000	13.65	\$23,888	\$0	\$23,888
5	2029	\$3,500,000	\$1,750,000	13.65	\$23,888	\$0	\$23,888
6	2030	\$3,500,000	\$1,750,000	13.65	\$23,888	\$0	\$23,888
7	2031	\$3,500,000	\$1,750,000	13.65	\$23,888	\$0	\$23,888
8	2032	\$3,500,000	\$1,750,000	13.65	\$23,888	\$0	\$23,888
9	2033	\$3,500,000	\$1,750,000	13.65	\$23,888	\$0	\$23,888
10	2034	\$3,500,000	\$1,750,000	13.65	\$23,888	\$0	\$23,888
11	2035	\$3,500,000	\$1,750,000	13.65	\$23,888	\$0	\$23,888
12	2036	\$3,500,000	\$1,750,000	13.65	\$23,888	\$0	\$23,888
13	2037	\$3,500,000	\$1,750,000	13.65	\$23,888	\$0	\$23,888
14	2038	\$3,500,000	\$1,750,000	13.65	\$23,888	\$0	\$23,888
15	2039	\$3,500,000	\$1,750,000	13.65	\$23,888	\$0	\$23,888
16	2040	\$3,500,000	\$1,750,000	13.65	\$23,888	\$0	\$23,888
17	2041	\$3,500,000	\$1,750,000	13.65	\$23,888	\$0	\$23,888
18	2042	\$3,500,000	\$1,750,000	13.65	\$23,888	\$0	\$23,888
19	2043	\$3,500,000	\$1,750,000	13.65	\$23,888	\$0	\$23,888
20	2044	\$3,500,000	\$1,750,000	13.65	\$23,888	\$0	\$23,888
21	2045	\$3,500,000	\$1,750,000	13.65	\$23,888	\$0	\$23,888
22	2046	\$3,500,000	\$1,750,000	13.65	\$23,888	\$0	\$23,888
23	2047	\$3,500,000	\$1,750,000	13.65	\$23,888	\$0	\$23,888
24	2048	\$3,500,000	\$1,750,000	13.65	\$23,888	\$0	\$23,888
25	2049	\$3,500,000	\$1,750,000	13.65	\$23,888	\$0	\$23,888
26	2050	\$3,500,000	\$1,750,000	13.65	\$23,888	\$0	\$23,888
27	2051	\$3,500,000	\$1,750,000	13.65	\$23,888	\$0	\$23,888
28	2052	\$3,500,000	\$1,750,000	13.65	\$23,888	\$0	\$23,888
29	2053	\$3,500,000	\$1,750,000	13.65	\$23,888	\$0	\$23,888
30	2054	\$3,500,000	\$1,750,000	13.65	\$23,888	\$0	\$23,888
<b>30 Year TIF Total</b>		<b>\$105,000,000</b>	<b>\$52,500,000</b>		<b>\$716,625</b>	<b>\$0</b>	<b>\$716,625</b>

Prepared by Camoin Associates, [www.camoinassociates.com](http://www.camoinassociates.com)

Table 2

<b>Tax Shift Impact - Town of Freeport - Varney Heights Affordable Housing Tax Increment Financing District</b>					
<b>TIF Year</b>	<b>Tax Year- April 1</b>	<b>Total Tax Shift</b>	<b>Education Shift</b>	<b>Rev. Sharing Shift</b>	<b>County Tax Shift</b>
1	2025	\$15,270	\$12,198	\$1,956	\$1,117
2	2026	\$15,314	\$12,198	\$1,956	\$1,161
3	2027	\$15,359	\$12,198	\$1,956	\$1,206
4	2028	\$15,407	\$12,198	\$1,956	\$1,254
5	2029	\$15,456	\$12,198	\$1,956	\$1,303
6	2030	\$15,507	\$12,198	\$1,956	\$1,354
7	2031	\$15,560	\$12,198	\$1,956	\$1,407
8	2032	\$15,616	\$12,198	\$1,956	\$1,463
9	2033	\$15,673	\$12,198	\$1,956	\$1,520
10	2034	\$15,733	\$12,198	\$1,956	\$1,580
11	2035	\$15,795	\$12,198	\$1,956	\$1,642
12	2036	\$15,859	\$12,198	\$1,956	\$1,706
13	2037	\$15,926	\$12,198	\$1,956	\$1,773
14	2038	\$15,996	\$12,198	\$1,956	\$1,843
15	2039	\$16,069	\$12,198	\$1,956	\$1,915
16	2040	\$16,144	\$12,198	\$1,956	\$1,991
17	2041	\$16,222	\$12,198	\$1,956	\$2,069
18	2042	\$16,303	\$12,198	\$1,956	\$2,150
19	2043	\$16,388	\$12,198	\$1,956	\$2,235
20	2044	\$16,476	\$12,198	\$1,956	\$2,322
21	2045	\$16,567	\$12,198	\$1,956	\$2,414
22	2046	\$16,662	\$12,198	\$1,956	\$2,509
23	2047	\$16,760	\$12,198	\$1,956	\$2,607
24	2048	\$16,863	\$12,198	\$1,956	\$2,709
25	2049	\$16,969	\$12,198	\$1,956	\$2,816
26	2050	\$17,080	\$12,198	\$1,956	\$2,927
27	2051	\$17,195	\$12,198	\$1,956	\$3,042
28	2052	\$17,314	\$12,198	\$1,956	\$3,161
29	2053	\$17,438	\$12,198	\$1,956	\$3,285
30	2054	\$17,567	\$12,198	\$1,956	\$3,414
<b>30 Year TIF Total</b>		<b>\$486,488</b>	<b>\$365,925</b>	<b>\$58,670</b>	<b>\$61,894</b>
30Year TIF Avg.		\$16,216	\$12,198	\$1,956	\$2,063
Prepared by Camoin Associates, <a href="http://www.camoinassociates.com">www.camoinassociates.com</a>					
<b>Notes and Sources:</b>					
All tax shifts have been calculated according to MSHA attachment 10-A of the application					
The tax shifts resulting from the sheltering of valuation from the state school funding formula are based on the state EPS funding model in which a statewide estimated mill rate of 6.97 mills in FY 2023-2024 is applied to a district's state valuation to determine the amount of local property taxes to be raised for education. By sheltering valuation through a TIF, the district avoids having to raise an amount equal to the valuation sheltered X mills.					
State Municipal Revenue Sharing amounts are calculated from spreadsheet provided by Maine Revenue Services, Based on FY 2024 Projected Municipal Revenue Sharing, Maine Department of Treasury, Released 3.6.23 <a href="http://www.state.me.us/treasurer">http://www.state.me.us/treasurer</a>					
County tax calculations are based on data from the Cumberland County Finance Department for the FY 2023 County Tax Year. For purposes of this analysis the total county tax assessment is estimated to increase 3.93% annually throughout the life of the TIF. This is based on the average annual increase in the past five years preceding the TIF application.					

## ADDENDUM 2. **TOWN TIF POLICY EVALUATION CRITERIA**

**The following criteria for evaluating public benefit from projects requesting TIF are specified in the *Town of Freeport Tax Increment Financing Policy and Process* document.<sup>1</sup>**

**Please see page 7.**

**Bullet #1:** "The value of the proposed public infrastructure"

**Bullet #2:** "The project creates public infrastructure facilities that have application beyond the particular development, such as improvements to traffic patterns, parking facilities, access to water, the incorporation of sustainable technologies, green space, or environmental remediation."

**Bullet #3:** "The project is generally consistent with goals and actions stated in the Town's Comprehensive Plan."

**Bullets #4 & 5:** The project assists an established business in the Town of Freeport, thus retaining existing employment opportunities. (OR) The project brings a new business to the community that is consistent with one of the business sectors identified below.

**Bullet #6:** "The project supports, or will support, local efforts and programs that assist in the development of the following business sectors: light manufacturing, the creative economy, medical industry, lodging, eco-tourism or the State's targeted industries consistent with Pine Tree Zone standards (manufacturing, advanced technologies for forestry & agriculture, aquaculture & marine technology, biotechnology, composite materials technology, environmental technology, financial services, information technology) "

**Bullet #7:** "The project creates long-term, permanent, and quality employment opportunities."

**Bullet #8 & 9:** The project contributes to the unique quality of the Village, commercial and industrial districts, or other areas in need of redevelopment. The project improves a blighted building site that will benefit from rehabilitation.

**Bullet #10:** The project supports or will support community projects, provides job training, provides student internships, supports local contractors and suppliers.

**The TIF Policy includes 5 additional bullet points on page 8 which set out how an applicant should demonstrate that the town's participation via a credit enhancement agreement is "economically necessary." The policy suggests they can demonstrate justification for a CEA by showing:**

**Bullet #1:** "The financial need to offset public infrastructure costs unique to the project or site."

**Bullet #2:** "The project is one that is supported in Freeport's Comprehensive Plan, in its capital improvement program, or in other supporting documents recognized by the community."

**Bullet #3:** "The developer demonstrates the financial capacity to undertake the project and provides evidence in support of this capacity. Evidence will include but is not limited to: Development budget and pro-forma, Financial commitments of project lenders, A project implementation plan and schedule. (All such information

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<sup>1</sup> TIF. Tax Increment Financing Policy and Process. Freeport, Maine. October 2010. Available [here](#).

shall be kept confidential. Town staff and Town Council will agree to a non-disclosure agreement, if deemed necessary.)”

**Bullet #4:** “The project creates incremental tax value equal to or greater than \$1 million, excluding personal property.”

**Bullet #5:** “The developer is compliant with all statutory and regulatory guidelines of the Town of Freeport and the State of Maine.” Thank you.



**Attachment 5: HOUSING PRODUCTION GOALS FROM CAROLINE MACLEOD  
MUSKIE SCHOOL OF PUBLIC SERVICE**

To assist the Freeport community to understand housing needs in Town, FEDC and the Town Housing Task Force partnered with University of Southern Maine's Muskie School of Public Service to host intern Caroline MacLeod, a Master's candidate in Public Policy and Management.

The following slides were prepared by Ms. MacLeod to share her findings regarding housing production goals for the community.



## Recommended priority production goals

- **1 bedroom apartments = 592 units**
  - the increasing rate of 1-person households won't need to occupy single-family homes
  - 65+ individuals aging in place can downsize without having to leave Freeport
    - This will free up single-family homes that won't need to be constructed for:
      - Freeport employees with long commutes
      - College grads wanting to return to Freeport to raise their families
- **2 bedroom apartments = 68 units**
  - keeping high school graduates who won't leave for college by 2033 living and working in Freeport
  - people who work Freeport's abundant full-time, low-income jobs will have an opportunity to live here

## Target Populations

- **Needed employees**
  - to fill job vacancies
- **High school graduates**
  - 20-24 → fill low-income jobs
  - 25-29 → college graduates returning to raise families
- **Householders living alone**
  - Long-term residents aging in place have nowhere to downsize → open up single family homes
- **Commuters**
  - Employees commuting 30+ minutes to work in Freeport

# Needed employees

Affordable Monthly Rent Based on Job Vacancies in Freeport



**\$12-18/ hour**

- baker
- butcher
- caregiver
- custodian
- dishwasher
- grocery manager
- hostess
- housekeeper
- night auditor
- optometric tech
- preschool teacher
- water treatment tech

**\$18-24/ hour**

- accounting assistant
- bus driver
- chef
- CNA
- eyewear salesman
- landscaper
- post office staff
- retail supervisor
- security installer
- swim coach
- tree line clearer

**\$24-30/ hour**

- behavior tech
- computer technician
- ed tech III
- ESL teacher
- jewelry retailer
- restaurant manager
- school counselor
- web content coordinator

**\$30-36/ hour**

- class A truck driver
- engineer
- industrial engineer
- jeweler
- nurse
- production sourcer
- YMCA director

**\$36-42/ hour**

- construction manager
- construction project estimator
- electrical estimator
- electrical tech

**\$42-48/ hour**

- auditing manager
- ecommerce analyst
- marine construction
- mortgage loan officer

**\$48-54/ hour**

- BCBA
- environmental project manager
- travel nurse

**\$54-60/ hour**

- director of nursing
- marketing senior manager
- retail sourcing manager

\*Data calculated from Indeed.com and Freeport town employment bulletin

**\*\* Please note. The Y axis above depicts the number of positions available in the relevant wage range. The placement of each column on the X axis depicts the amount of monthly income available for rent if 30% of income is used for housing.**

## Affordable rent for Freeport's existing workforce + households



\*Affordable housing data calculated from Freeport town employment bulletin, Pressharoid.com, Mint.intuit.com, Govsalaries.com, Glassdoor.com, and Selectmainesites.com

Please note. The placement of each column on the X axis depicts the amount of monthly income available for rent if 30% of income is used for housing. The placement of the red lines above on the X axis depict the monthly income available for rent if 30% of income is used for rent. The X axis below also represents monthly rent or mortgage costs. The Y axis for the orange columns represents the number of units currently available at monthly cost represented on the X axis.

## How available housing compares



\*Affordable housing data calculated from Indeed.com, Realtor.com, Zillow.com, and Residences at Crosstree.

## Freeport resident census 2023

**Greatest population category.**  
 → More than 30% live alone.

**2nd greatest population category.**  
 → Will be 65+ by 2033.

**Smallest adult population category.**  
 → Most likely to fill low-wage jobs.



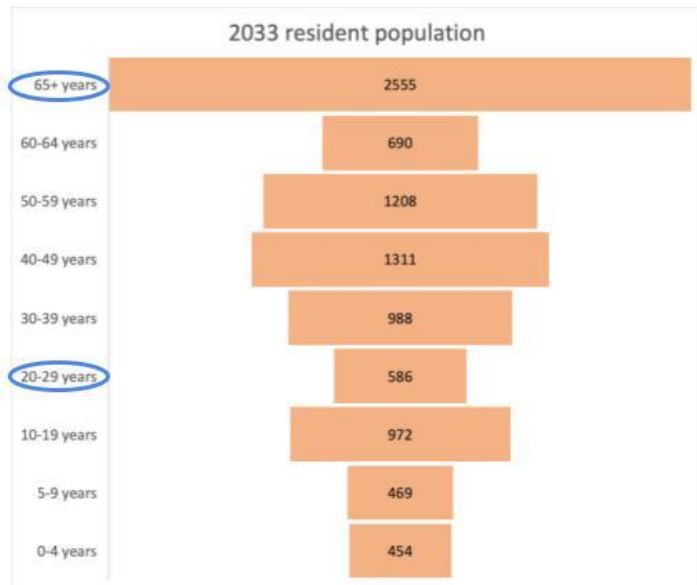
\*Census data from Selectmainesites.com.  
 \*Occupancy characteristics calculated from Data.census.gov.

\*Data from Data.census.gov

## Estimated Freeport resident census 2033

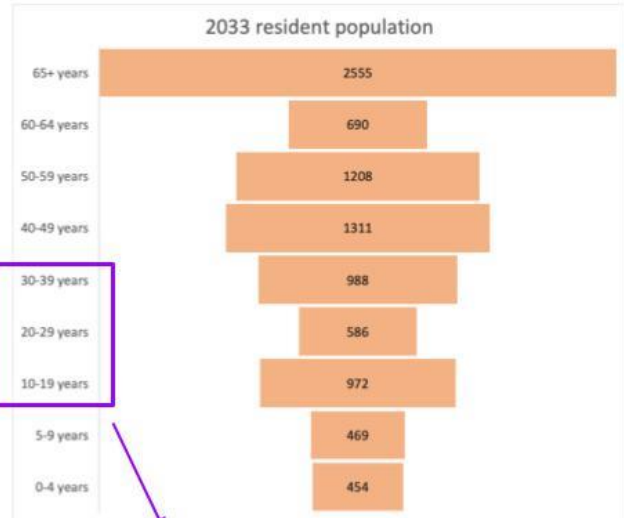
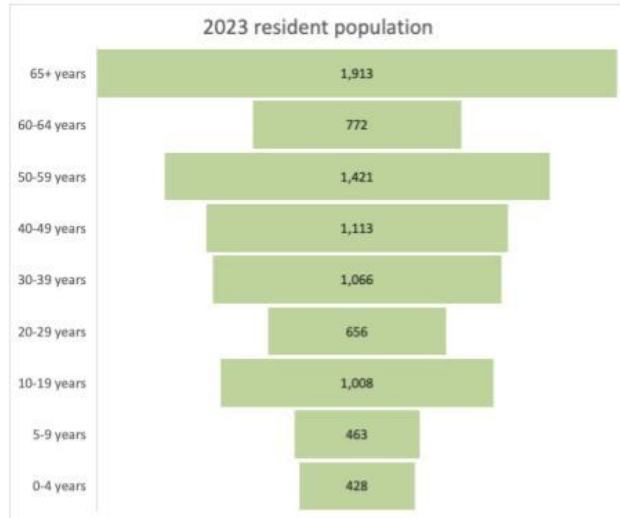
**Projected to increase more than any other category.**  
 → 620 will be living alone.

**Projected to decrease even further.**  
 → 135 HS grads won't attend college



\*Census data calculated from Selectmainesites.com.  
 \*Occupancy characteristics calculated from Data.census.gov.  
 \*HS graduation stats from Greatschools.org

## Estimated 10-year change in Freeport resident population



Population categories all projected to decrease.

\*Census data obtained and calculated from Selectmainesites.com.